

complaint

Mrs A complains about a fault on her vehicle which was financed by Advantage Finance Ltd. She would like Advantage to cover the full cost of the repair.

background

In June 2014, Mrs W entered into a hire purchase agreement with Advantage Finance in order to acquire a car.

There was an issue with a suspected oil leak the following month. The garage where Mrs W had bought the car from had it checked and then returned the car to Mrs W confirming that no oil leak could be found.

Mrs W had no further cause for complaint until June 2015 when she complained to Advantage Finance about the fact the turbo had failed and that the car was not fit for purpose. She wanted Advantage Finance to cover the full cost of repairing the car and any consequential losses suffered.

Advantage Finance did not agree. However, they did suggest having an independent examination carried out and told Mrs W that they would be willing to cover half of the cost of the repairs. It never disputed that a fault had actually occurred.

Our adjudicator agreed with Advantage Finance and so, an independent examination was carried out.

Following this examination, our adjudicator told Mrs W that he did not think that Advantage Finance should be responsible for the work on her car. Mrs W wanted an ombudsman's decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The key issue is whether the car was fit for purpose from the beginning. If it wasn't, I would expect Advantage Finance to be responsible for putting things right.

In order to decide whether it was fit for purpose, I need to consider a number of factors including the car's age, mileage, the price paid and what Mrs W would have been told about the car. I also remind myself that at the time of the turbo failing, Mrs W had had use of the car for 12 months and had driven some further 17,000 miles.

Mrs W submits that the suspected oil leak in July 2014 is what led to the turbo failing some 11 months later and so it was never fit for purpose in the first place. Advantage Finance says it does not accept this.

So, I turn to the independent report carried out on the car. This states that the damage to the turbo is as a result of wear and tear, accelerated by being exposed to poor quality oil. The mechanic's conclusion is that had this fault been present at the point sale, he would have expected the turbo to have failed sooner than it did.

Taking everything into account – more specifically the independent report – I cannot be as sure as I need to be that the car was not fit for purpose when Mrs W got it.

I therefore have to tell Mrs W that I cannot ask that Advantage Finance be responsible for the full cost of repairs.

The offer they have made is a reasonable and fair one – I would urge Mrs W to reconsider.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 30 December 2015.

Shazia Ahmed
ombudsman